

SENATE BILL REPORT

SB 6166

As of April 17, 2009

Title: An act relating to the sale of timber from state trust lands.

Brief Description: Concerning the sale of timber from state trust lands.

Sponsors: Senators Hargrove, Ranker, Rockefeller, Jacobsen and Morton.

Brief History:

Committee Activity: Ways & Means: 4/18/09.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Maria Hovde (786-7710)

Background: The Department of Natural Resources (DNR) sells the majority of timber from state forest lands by putting tracts of timber up for bid. The DNR establishes an appraised value for the timber, and this value becomes the minimum bid for the timber sale. The successful bidder who is awarded the contract generally has three years to harvest the timber from the sale.

In current law, the DNR has the authority to directly contract for the harvest of up to 10 percent of the total annual volume of timber offered for sale from state forest lands. All receipts from the gross proceeds of logs that are harvested under the contract harvesting program are deposited into the Contract Harvest Revolving Account (Account). The funds in the Account can only be used to pay harvesting costs incurred on contract harvesting sales. The Board of Natural Resources has oversight of the Account, and no legislative appropriation is needed for expenditures from the Account. All interest created by the Account is deposited into the Account, but the Account may not exceed \$1 million at the end of each fiscal year. Monies in excess of \$1 million must be disbursed to the trust beneficiaries in accordance with existing procedures.

Summary of Bill: The DNR is given the authority to directly contract for the harvest of up to 20 percent of the total annual volume of timber offered for sale from state forest lands. The Account balance may not exceed \$5 million at the end of each calendar year. Monies in excess of \$5 million must be disbursed to the trust beneficiaries in accordance with existing procedures.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

To the extent possible under current law, the DNR is directed to consider requests from purchasers for timber sale extensions and to provide flexibility in timber sale contract administration to mitigate against the potential for contract default. By December 1, 2009, the DNR must report to the Legislature on the status of existing contracts, contract extensions, contract defaults, and must provide a timber market forecast for 2010 and 2011.

This act expires January 1, 2014.

Appropriation: None.

Fiscal Note: Requested on April 15, 2009.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.